SEC Adopts Inline XBRL Requirement

By Bruce Newsome | July 11, 2018

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On June 28, 2018, the Securities and Exchange Commission ("SEC") voted to require the use of Inline Extensible Business Reporting Language ("Inline XBRL") for operating company financial statement information and mutual fund risk/return summary information.[1] The amendments to the current XBRL requirement are effective 30 days after publication in the Federal Register.

View the final rule.

The SEC adopted the Inline XBRL amendments in order to improve the usefulness, timeliness, and quality of submitted data. The SEC also expects Inline XBRL to reduce the cost of preparing data for submission. Inline XBRL allows XBRL data to be embedded directly into the text of an HTML document so that the disclosure document is both human-readable and machine-readable. This eliminates the need for companies to include the XBRL data in a separate exhibit to their filings. Additionally, once the amendments become effective (note that the amendments' effective date is prior to the compliance dates set forth below), companies will no longer be required to post XBRL data on their websites.

Despite the change, the scope of disclosures and categories of filers subject to XBRL requirements remains unchanged. The new requirements will be phased in gradually, as shown below:

Entity	Compliance Date
Operating Company	
Large Accelerated Filers using GAAP*	Fiscal periods ending on or after June 15, 2019
Accelerated Filers using GAAP	Fiscal periods ending on or after June 15, 2020
All Other Filers	Fiscal periods ending on or after June 15, 2021

*United States Generally Accepted Accounting Principles

Filers will be required to comply with the new standard beginning with their first Form 10-Q filed for a fiscal period beginning on or after the respective compliance date. Companies will be permitted to file in Inline XBRL in advance of these deadlines, although the SEC's Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system is not expected to be modified to accept these submissions until March 2019.

These amendments do not affect existing SEC rules excluding financial statement XBRL data from the officer certification and auditor assurance requirements under the Securities Exchange Act of 1934.

If you have any questions about this topic, please contact a member of our Capital Markets and Securities Practice Group.

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[1] This alert does not cover the changes to mutual fund reporting.